

### 2012 CalPERS Health Plan Design, Rate, and Benefit Changes Webinar

*Presented by CalPERS Health Benefits Program,  
Public Agency & Schools Marketing Unit*

---

---

---


---

---

---

---

---



CalPERS Health Benefit Program

- Nearly 50 years providing health benefits
- Over 1.3 million health plan members
- More than \$6.7 billion paid in annual health premiums
- Largest health purchaser in California; second largest purchaser in the nation

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---



Agenda

- 2012 Overall Health Premium Changes
- Basic Premium Changes
- 2012 Health Program Changes Overview
- CalPERS Health Plan Delivery Approaches
- Health Plan Partners – Design and Benefit Changes (Anthem Blue Cross, CVS Caremark, Blue Shield of California, and Kaiser Permanente)
- Resources and Information
- Questions and Answers

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---

---

---

---

---

---



### 2012 Overall Health Premium Changes

---

---


---

---

---

---

---



#### 2012 Overall Health Premium Changes: Total Program

State Agencies and Contracting Agencies:

- Overall 4.1% annual premium increase
- Overall 10.6% premium increase for Basic plans
- Overall 3.4% premium increase for Medicare plans

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---

---

---

---

---



### 2012 Basic Health Premium Changes

(percentage changes from 2011 to 2012)

---

---


---

---

---

---

---



Basic Premium Changes – State Agencies

Health Plan	Percent Change (+/-)
Blue Shield Access+	3.53%
Blue Shield NetValue	3.48%
Kaiser CA	6.99%
PERS Choice	1.89%
PERS Select	-1.09%
PERSCare	15.11%

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---



Basic Premium Changes – Bay Area Region

Health Plan	Percent Change (+/-)
Blue Shield Access+	5.27%
Blue Shield NetValue	5.22%
Kaiser CA	7.28%
PERS Choice	1.91%
PERS Select	-1.07%
PERSCare	15.13%

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---



Basic Premium Changes – Sacramento Region

Health Plan	Percent Change (+/-)
Blue Shield Access+	4.56%
Blue Shield NetValue	2.15%
Kaiser CA	7.28%
PERS Choice	1.92%
PERS Select	-1.06%
PERSCare	15.15%

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---



Basic Premium Changes – Los Angeles

Health Plan	Percent Change (+/-)
Blue Shield Access+	2.78%
Blue Shield NetValue	2.73%
Kaiser CA	7.29%
PERS Choice	1.91%
PERS Select	-1.07%
PERSCare	15.14%

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---



Basic Premium Changes – Other Southern CA Region

Health Plan	Percent Change (+/-)
Blue Shield Access+	2.77%
Blue Shield NetValue	2.72%
Kaiser CA	7.28%
PERS Choice	1.92%
PERS Select	-1.06%
PERSCare	15.15%

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---



Basic Premium Changes – Other Northern CA Region

Health Plan	Percent Change (+/-)
Blue Shield Access+	2.77%
Blue Shield NetValue	7.28%
Kaiser CA	1.91%
PERS Choice	-1.08%
PERS Select	15.13%
PERSCare	2.77%

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---



Basic Premium Changes – Out of State

Health Plan	Percent Change (+/-)
Kaiser CA	3.97%
PERS Choice	1.91%
PERSCare	15.14%

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---



Premium Changes – Medicare

Health Plan	Percent Change (+/-)
Blue Shield Access+	0.03%
Blue Shield NetValue	0.03%
Kaiser CA	-1.59%
Kaiser Out of State	3.40%
PERS Choice	2.01%
PERS Select	2.01%
PERSCare	-0.28%

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---

---

---

---

---

---



2012 Health Program Changes Overview

---

---

---


---

---

---

---

---



Overview of 2012 Health Program Changes:  
Pharmacy Benefit Changes

**Changes Effective January 1, 2012**

- Copays for brand name medication will increase by \$5
- Standardization of costs on 90-day mail-order prescriptions
- Members pay the difference between cost of generic and brand name medications when an approved generic is available

These changes will save \$52.8 million.

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---



Overview of 2012 Health Program Changes:  
Self-Funded PPO Plan Changes

**New 2012 Pharmacy Benefit Manager (PBM)**

- CVS Caremark replaces Medco as the PBM as of January 1, 2012
- Seamless transition for CalPERS members enrolled in PPO program
- CalPERS and CVS Caremark have started transition activities

**Expansion of Value-Based Purchasing**

- Colonoscopy
- Cataract Surgery
- Arthroscopy

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---



**CalPERS Health Plan Delivery Approaches**

---

---

---


---

---

---

---

---


**CalPERS Health Plan Delivery Approaches**

<b>PPO Model</b>	Anthem Blue Cross
<b>HMO Staff Model</b>	Kaiser Permanente
<b>HMO IPA Model</b> (Independent Physician Association)	Blue Shield of California

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---


**Difference Between HMO and PPO plan**

**PPO Features**

- Open access approach
- No required primary care physician designation
- No required referral/authorization for specialist providers
- Requires more cost sharing from members for medical services (i.e. deductible)

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---


**Difference Between HMO and PPO plan**

**HMO Features**

- Generally closed access approach
- Requires primary care physician (Blue Shield) or personal plan physician (Kaiser) designation
- May require referral/authorization for specialist providers
- Highly comprehensive coverage
- Predictable budget with controlled costs

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---



Difference Between HMO and PPO plan

**Common Characteristics of PPO Members**

- Willing to share in plan expenses for unrestricted choice of providers
- Retired and living out of state
- Frequent travelers – need coverage portability
- In rural areas

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---



Difference Between HMO and PPO plan

**Common Characteristics of HMO Members**

- Younger families
- Budget-conscious consumers
- Not comfortable with open plan expenses proposition
- In urban areas

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---


---

---

---

---

---



Association Plans

Due to the member-specific nature of the Association Plans, they *will not be featured during this webinar*.

For information regarding 2012 health benefits, please contact the association directly:

CAHP – CA Association of Highway Patrolmen  
(800) 734-2247 or [www.thecahp.org](http://www.thecahp.org)

CCPOA – CA Correctional Peace Officers  
(800) 468-6486 or [www.ccpoabtf.org](http://www.ccpoabtf.org)

PORAC – Peace Officers Research Association of CA  
(800) 288-6928 or [www.porac.org](http://www.porac.org)

2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

---

---

---

---

---

---

---

---